

ADVOCACY AND RESOURCES CORPORATION

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS BY
UNANIMOUS WRITTEN CONSENT**

DATED THE 19TH DAY OF JUNE, 2006

The undersigned, the members of the Board of Directors (the "Board") of Advocacy and Resources Corporation, a Tennessee corporation (the "Company"), hereby adopt this unanimous written consent pursuant to the bylaws of the Company, after due consideration of these as well as alternatives, the following resolutions with the same force and effect as if they had been adopted at a duly convened meeting of the Board of Directors of the Company.

Approval of Filing of a Voluntary Petition Under Chapter 11 of the Bankruptcy Code

WHEREAS, the Board has considered the financial and operational aspects of the Company's business and has met on several occasions, including on June 16, 2006, to explore all options for dealing with financial problems facing the company;

WHEREAS, the Board has reviewed the historical performance of the Company, the market for the Company's products and services, and the current and long-term liabilities of the Company;

WHEREAS, the Board previously appointed a Strategy Committee to take certain actions on behalf of the Company relating to the financial condition;

WHEREAS, the Strategy Committee initially placed certain restrictions on the authority of the Company's chief executive officer and chief operating officer, and those officers have subsequently resigned as officers and as members of the Board of Directors;

WHEREAS, the Strategy Committee approved the engagement of Kraft Corporate Recovery Services, LLC as a firm with experience and expertise in the areas of workouts, re-capitalization, non-bankruptcy reorganizations, re-financing and marketing of businesses in similar situations to the Company;

WHEREAS, the Strategy Committee approved the engagement of Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C., as a law firm with experience and expertise in the areas of workouts, re-capitalization, non-bankruptcy reorganizations, re-financing and marketing of businesses in similar situations to the Company;

WHEREAS, the Board has reviewed, considered, and received the recommendations of the Strategy Committee of the Company and the Company's professionals and advisors as to the actions to be implemented during the course of Chapter 11 bankruptcy proceedings; and

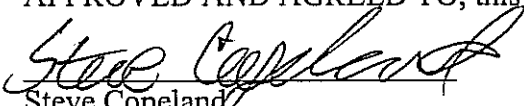
WHEREAS, the Board met on June 16, 2006, and made certain decisions that are reflected herein;

NOW, THEREFORE, IT IS HEREBY RESOLVED:

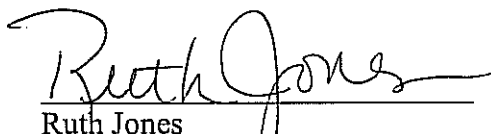
1. After consultation with the Company's outside attorneys and advisors, in the judgment of the Board, it is desirable and in the best interests of this Company, its creditors, and other interested parties, that a voluntary petition be filed by the Company under the provisions of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").
2. Don Calcote is authorized to sign the bankruptcy petition on behalf of the Company in order to initiate the bankruptcy proceedings.
3. Kraft Corporate Recovery Services, LLC is appointed as the Interim Manager of the Company with full authority to act on behalf of the Company in all respects and to have the same authority that would otherwise be exercised by the chief executive officer and chief operating officer. Pending the naming of such other officers as may be appropriate, both Paul Lemke on behalf of Kraft or Don Calcote on behalf of the Board are authorized to serve as signatories on behalf of the Company for any action that may be taken by the chief executive officer or chief operating officer.
4. The Interim Manager is directed, authorized and empowered to execute and file on behalf of the Company all motions, schedules, lists and other papers or documents, and to take any and all action which it deems necessary or proper in furtherance of the bankruptcy proceeding.
5. The Interim Manager is directed, authorized and empowered to take such steps as necessary and appropriate to begin the orderly liquidation of the Company.
6. The Interim Manager is directed, authorized and empowered to negotiate with AmSouth Bank regarding the use of cash collateral in order to facilitate the orderly liquidation of the Company.
7. The Interim Manager is directed, authorized and empowered to employ professionals, including any attorneys, financial advisors or consultants to the Company as the Interim Manager deems necessary to represent and assist the Company in carrying out its duties under Title 11 of the United States Code; and in connection therewith, the Interim Manager of the Company is hereby authorized and directed to execute the appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the Chapter 11 case, and to cause to be filed an appropriate application for authority to retain the services of such professionals.
8. The Interim Manager is directed, authorized and empowered, in the name of, and on behalf of the Company, to take or cause to be taken any and all such other further action, and to execute, acknowledge, deliver and file any such instruments as in its discretion, may deem necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions.


9. All of the acts and transactions relating to matters contemplated by the foregoing resolutions of management and members of the Board of the Company, in the name and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to the execution of these resolutions, are hereby in all respects, confirmed, approved and ratified.


APPROVED AND AGREED TO, this the 19th day of June, 2006, by the Board of Directors.


Steve Copeland


Don Calcote


Ruth Jones


Gerry Whitehead


Vikki Thomas